



Request for City Council Committee Action from Community Planning & Economic Development

Date: November 18, 2013

To: Council Member Elizabeth Glidden, Chair
Regulatory, Energy and Environment Committee

Subject: Massage Establishments

Recommendation: That the Regulatory, Energy and Environment Committee recommend adding 1) Chapter 286 to the Minneapolis Code of Ordinances related to licensing and regulating massage and bodywork establishments in Minneapolis and 2) a Massage and Bodywork Establishment license fee to the License Fee Schedule.

Department Information

Prepared by: Linda Roberts, District Supervisor, 673-3908

Approved by:

Chuck Lutz, Director of Community Planning and Economic Development

Cathy Polasky, Director of Economic Policy and Development

Grant Wilson, Manager of Business Licenses

Presenter in Committee: Linda Roberts

Financial Impact

- No financial impact

Community Impact

- Neighborhood Notification
Business Licenses' staff scheduled two community engagement meetings with representatives from the massage and bodywork industry and neighborhood organizations on June 25, 2013 and November 7, 2013 with over 42 people in attendance. Staff also conducted ten individual meetings for those who requested additional information.
Public Hearing Notices were sent on November 8, 2013 to all neighborhood organizations, business associations, and approximately 100 massage and bodywork industry representatives and posted on the Business Licenses' website and the city's cable channel.
- City Goals
People and businesses thrive in a safe and secure city.

Supporting Information

In Minneapolis, massage and bodywork businesses are currently not required to be licensed by either the city or the state. Best practice research of 23 other U.S. cities comparable in size found that approximately 70% require a massage business license. In Minnesota, 14 cities require a business license and report that it is an effective tool to address complaints.

The massage and bodywork industry is a growing, diverse and respected industry in Minneapolis. Currently our regulatory requirements are limited to the Zoning Code. Updating the Code of Ordinances to reflect the changing demographics will for example, allow businesses to operate throughout the city in both private homes and commercial spaces. Additionally, reasonable regulations and licensure with the City of Minneapolis serve as a deterrent to business operations that negatively affect the community. This is also an enforcement tool to hold businesses accountable and protect consumers.

During the development of this ordinance amendment, city staff addressed several issues voiced from industry representatives. For example, building requirements may be difficult to accomplish or cost prohibitive; license fees may cause a hardship for small business owners; and practical concerns about how the regulations would be enforced were communicated. There was significant engagement with the industry that resulted in many accommodations, producing a code with a wide range of support from the industry.

The proposed amendment allows:

- An annual license fee of \$50 for home businesses and/or single operators and an annual license fee of \$140 for commercial-based businesses with employees.
- Home-based businesses and single operators shall operate in a clean and safe manner and commercial-based businesses shall meet reasonable building standards to operate in a clean and safe manner.
- No person under the age of 18 may own or be employed at a massage or bodywork business.
- Prohibited sex acts are defined.

If approved, massage and bodywork establishments would be required to be licensed by July 1, 2014. Standard Operating Procedures will include training for all affected city staff on sex trafficking awareness.

Recommendation

That the Regulatory, Energy and Environment Committee recommend adding Chapter 286 to the Minneapolis Code of Ordinances to license and regulate massage and bodywork establishments in Minneapolis and the following to the License Fee Schedule.

License Type	Fee
Massage and Bodywork Establishment, Commercial	\$140
Massage and Bodywork Establishment, Home-based and/or Single Operator	\$50